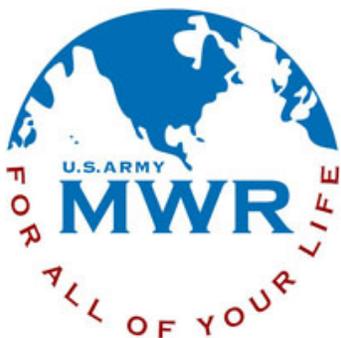




Base Realignment and Closure Employee Services Guide for Nonappropriated Fund Employees



A Guide to Placement Programs,
Separation Incentives,
Benefits and Entitlements
Available to Army Employees
Affected by BRAC

21 December 2005

BRAC 2005

BRAC Employee Services Guide for Nonappropriated Fund Employees

This document advises Army nonappropriated fund (NAF) employees of programs and entitlements available to employees affected by the 2005 Base Realignment and Closure (BRAC). Specific references are listed in the left hand margin for each program, incentive, and benefit.

This document is merely a guide, and in no way supersedes any issued laws, regulations, or directives. Employees should contact their servicing Human Resource office to clarify their eligibility for the programs, incentives, and benefits listed within this document.

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BRAC Employee Services Guide for Nonappropriated Fund Employees

I. Employees Who Will Move With Their Organization

A. *Annual and Sick Leave Entitlements*

1. Employees affected by BRAC who are in an employment category authorized to earn NAF annual and sick leave may be eligible for certain leave entitlements.
2. Normally, the maximum amount of accrued annual leave that may be carried forward from one leave year to another is 240 hours for employees assigned within the Continental United States (CONUS). However, if an employee's installation has been designated for realignment or closure, s/he may be authorized to carry over leave in excess of the maximum authorized amount as long as s/he continues to work at the BRAC installation in an employment category authorized to earn and accrue leave. (This provision does not apply to employees assigned to positions or functions located at the installation that are designated to continue after closure at the same location.)
3. For employees who are close to their retirement eligibility date, accrued annual leave may be used to remain on the rolls in a pay status beyond their Business Based Action (BBA) separation date in order to reach retirement eligibility. They may also use their accrued annual leave to remain on the rolls in a pay status in order to become eligible to continue DoD NAF Health Benefits Program coverage into retirement.
4. If separated from your NAF position, an employee will receive a lump sum payment for his/her unused annual leave. However, the employee transfers to a NAF position in a different NAF instrumentality, his/her annual leave credit may be transferred from the losing to the gaining employer if both employers agree, and s/he elects a transfer of credit instead of a lump sum payment. The employee cannot elect to be paid a lump sum annual leave payment if s/he moves to a DoD appropriated fund position with a break in service of three days or less; his/her NAF annual leave balance must transfer to the appropriated fund employment system.
5. There is no payment for unused sick leave for an employee who separates from a NAF position, but if s/he returns to employment with one of the DoD NAF Components after a separation related to a Business Based Action (BBA), his/her sick leave balance at the time of BBA separation will be restored. Unlike the extended employment provisions for annual leave described above, the unused sick leave cannot be used to remain on the rolls beyond your BBA separation date in order to reach retirement eligibility or post-retirement medical insurance eligibility. However, the sick leave balance may be added to your period of creditable NAF service for retirement purposes.

Leave Entitlements

References:

[AR 215-3, Chapter 5,](#)

[DoD 1400.25-M, Subchap 1406](#)

B. *House Hunting Trips (HHT)*

1. At the discretion of the organization, an employee relocating under Permanent Change of Station (PCS) may be authorized round trip travel for up to 10 days for the him/herself and his/her spouse for the purpose of seeking residence quarters.

HHT Reference:

[JTR, Vol 2, Chap 5, Part M](#)

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2. Separate round trips by the employee and spouse may be allowed provided the overall cost is less than or equal to the cost of one round trip for the employee and spouse traveling together.
3. Use of air transport, rental cars, or mass transit is encouraged to maximize the time available for searching.
4. Employee's [temporary subsistence expense \(TQSE\)](#) will be reduced by the number of days taken for HHT.
5. HHT is not authorized until employee has agreed to transfer and the date of the transfer has been established.

C. Travel and Transportation Expense Reimbursement

Travel Exp Reimbursement
Reference:
[JTR, Vol 2, Chap 5, Part A](#)

1. Employees who move under Permanent Change of Station (PCS) with their organization during BRAC will be reimbursed for travel and transportation expenses.
2. This includes per diem for the employee and his/her dependents for the duration of travel. Per diem rates for dependents vary depending on whether or not they travel in conjunction with the employee.
3. Employees who drive a personally-owned vehicle (POV) to the new duty station will be reimbursed for mileage. Parking fees and tolls are reimbursable.

D. Movement of Household Goods

Household Goods
Reference:
[JTR, Vol 2, Chap 5, Part D](#)

1. Government will pay to move up to 18,000 pounds of household goods for employees who move under Permanent Change of Station (PCS). This includes goods stored in connection with transportation.
2. Employees are authorized up to 90 days of temporary storage of household goods in conjunction with the move. The commander may extend this by another 90 days if the employee requests the extension in writing.

E. Temporary Quarters

TQSE Reference:
[JTR, Vol 2, Chap 13](#)

1. The organization has the discretion to authorize TQSE to an employee who must occupy temporary quarters during a Permanent Change of Station (PCS) move because arranged permanent quarters remain occupied by the present tenant, require repairs/alternations that have not been completed, or are under construction.
2. Time limit is 60 days, which can be extended an additional 60 days for compelling reasons.
3. Employee may occupy temporary quarters while dependents live elsewhere.
4. TQSE covers temporary lodging, meals/groceries, tips and fees related to lodging and meals, laundry and dry cleaning.
5. Receipts are required for lodging, laundry (not including coin-operated machines), dry cleaning, and single expenses over \$75.00. Expenses must be itemized on the reimbursement claim.
6. Reimbursement is based on TSQE per diem rates. Employees should contact their local Human Resource Office for their rate.

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F. Real Estate Expense Reimbursement

1. The Government will reimburse an employee relocating under Permanent Change of Station (PCS) for certain expenses incurred in connection with:
 - the sale of the employee's residence at the old duty station (providing that employee was actually residing there at the time s/he was first informed by appropriate authority that transfer to a new PDS was definite),
 - the settlement of an unexpired lease involving the residence or a lot on which a mobile home used as a residence was located, or
 - the purchase (including construction) of the employee's new residence at the new duty station.
2. This settlement dates for the situations listed in the above paragraph cannot be later than two years after the employee's effective date of transfer.

Real Estate Reimbursement
Reference:
[JTR, Vol 2, Chap 14](#)

G. Defense National Relocation Program (DNRP) Overview

1. DNRP provides DoD civilian employees assistance to relocate promptly, thereby minimizing family separation and encouraging productivity at the new duty station. Each DoD agency establishes eligibility criteria for the use of DNRP by its transferring civilian employees. The Department of Army's policy entitles those homeowners whose positions are effected by a management decision, such as BRAC, to use the services of DNRP. The National Relocation Program Office (NRPO) of the U.S. Army Corps of Engineers administers the contract to provide DNRP services. The NRPO may be contacted toll-free at 1-800-344-2501.

DNRP Reference:
[DNRP Handbook](#),
[JTR, Vol 2, Chap 15 Part A](#)

H. DNRP Initiation Counseling

1. Employees should contact their local Human Resource office to verify their eligibility to use DNRP.
2. DNRP initiation counseling provides general information on DoD relocation policy and services, or refers the employee to appropriate contacts for specific interpretation of policy and/or contract requirements. In addition, it:
 - Assists the employee in selecting, planning, and scheduling relocation services to meet family needs and time requirements,
 - Informs employees of current procedures for requesting and ordering both government-paid and free relocation services as appropriate,
 - Assists employee in preparing and listing home for sale,
 - Arranges for qualified real estate firms in the new area to provide information on communities, housing, schools, etc,
 - Assigns a Destination Counselor at the final destination area to the employee,
 - Assists the employee in finding temporary quarters,
 - Assigns a Relocation Specialist for [Guaranteed Homesale Service \(GHS\)](#) or a Home Management Coordinator for [Property Management \(PM\)](#) to the employee at the time the [DNRP contractor](#) receives the GHS or PM order from the National Relocation Program Office.

Initiation Counseling
Reference:
[DNRP Handbook Section 4](#)

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I. DNRP Marketing Assistance

1. Employees should contact their local Human Resource office to verify their eligibility to use DNRP.
2. DNRP Marketing Assistance is designed to help an employee actively market his/her home and obtain the highest possible price, with the goal of obtaining an Amended Value Sale which may net a greater amount than the appraisal value under the [Guaranteed Homesale Service](#) offer.
3. The employee will be assigned a Relocation Specialist, who will
 - Recommend listing brokers,
 - Analyze the marketing strategy and make suggestions,
 - Review property currently on the market and those recently sold to help the employee set a realistic list price,
 - Identify any repairs/improvements that make expedite the sale.

Marketing Assistance
Reference:

[DNRP Handbook Section 6](#)

J. DNRP Guaranteed Homesale Service (GHS)

1. Employees should contact their local Human Resource office to verify their eligibility to use this DNRP service.
2. GHS is an alternative process which relieves the employee of the burden of selling his/her home, waiting for the sale to close to receive equity, and submitting vouchers for reimbursement of real estate expenses. The [DNRP contractor](#) will purchase the employee's primary residence at the current market value based on appraisals or a market-based offer. The NRPO should be contacted at 1-800-344-2501 for details of this service.
3. As of 30 June 2005, the maximum home value for which GHS is payable is \$750,000.00, unless waived by the paying activity (ref [JTR, Chapter 15, C15003.D](#)).
4. The employee is responsible for all normal federal and state taxes, including capital gains, resulting from the sale of the home.
5. National Relocation Program Office staff will contact the employee within two working days of receipt of the employee's approved application and travel orders from the employee's agency.

GHS References:

[DNRP Handbook Section 7](#),
[JTR, Vol 2, Chap 15 Part A](#)

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6. To be eligible, the employee's residence must:
 - Be located in the U.S., its territories, or its possessions,
 - Be a house, townhouse, or condominium (mobile homes, houseboats, and other residences not permanently affixed or located on land not owned by the employee, and cooperative housing are NOT eligible for GHS),
 - Be the place from which the employee commuted to and from work on a regular basis at the time s/he was officially notified of the transfer,
 - Be in title to the employee or eligible dependents at the time s/he was officially notified of the transfer,
 - Be improved real estate, owned and used by the employee as a principle residence,
 - Be insurable, financeable, and complete (including construction, plumbing, and electricity),
 - Conform to local building code requirements for resale, and
 - Be free of hazardous conditions.

K. Home Marketing Incentive Payment (HMIP)

1. HMIP is a discretionary incentive that can only be used in conjunction with DNRP. Not all employees will be authorized HMIP. Authorization authority for HMIP is delegated to the Army MACOMs. MACOMs may choose to re-delegate this authority to local commanders.
2. The Government will pay eligible employees an incentive to encourage the employee to aggressively market and find a bona fide buyer for his/her residence resulting in a successful amended-value sale as part of the DNRP. This reduces government relocation costs significantly.
3. The Component determines payment amount. That amount will not exceed the least of:
 - One to five percent of the price that the [DNRP contractor](#) paid when it purchased the residence,
 - \$10,000, or
 - One half of the savings realized from the reduced fee/expenses paid as a result of the employee finding a bona fide buyer and closing the sale (if no savings are realized, HMIP may not be paid).
4. To be eligible, the employee must:
 - Enter his/her residence in the [DNRP GHS program](#),
 - Independently and aggressively market the residence,
 - Find a bona fide buyer for the residence as a result of independent marketing efforts,
 - Transfer the residence to the DNRP contracted company as an amended-value sale, through which the buyer completes the sale, and
 - Meet any additional conditions established by the Component.
5. HMIP is authorized and processed by the MACOM. Neither the [DNRP contractor](#), nor the National Relocation Program Office is responsible for HMIP.

HMIP References:

[JTR, Vol 2, Chap 15 Part C](#),
[DNRP Handbook Section 7](#)

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L. DNRP Property Management (PM) Services

1. Employees should contact their local Human Resource office to verify their eligibility to use this DNRP service.
2. PM assists the employee in renting his/her home. The employee must establish and maintain an account called a Reserve Operating Account (ROA). The Home Management Coordinator will deposit rental income into the account and pay mortgage, repairs and maintenance from it. Failure to maintain a minimum balance in this account could result in termination of Property Management services.
3. The employee will be assigned a Home Management Coordinator by the [DNRP contractor](#). The Home Management Coordinator will:
 - Assign a local property manager acceptable to the employee,
 - Help the employee develop a rental marketing strategy,
 - Establish a market rental value,
 - Make every effort to find a tenant and negotiate a lease,
 - Collect and account for rental income,
 - Pay mortgage and other carrying expenses from the employee's ROA,
 - Inspect the property once per quarter,
 - Expedite emergency repairs,
 - Arrange for major repairs and maintenance approved by the employee,
 - Handle all tenant negotiations, and
 - Report to the employee every quarter on the property and ROA.

PM References:
[DNRP Handbook Section 8, JTR, Vol 2, Chap 15 Part B](#)

M. DNRP Destination Services

1. Destination Services are a no-fee provision of the [DNRP contract](#) and are available at no charge to all DoD civilians. There is no requirement for official transfer to use these services. Employees may contact the DNRP contractor directly or call the NRPO at 1-800-344-2501 for service.
2. The [DNRP contractor](#) will assign the employee a Destination Counselor, who will assist employee in making wise buying, mortgage, or renting choices at the new duty station.
3. To assist home buyers, the Destination Counselor will:

Destination Services
Reference:
[DNRP Handbook Section 9](#)

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- Contact the employee to discuss specific family needs and send information about the new area
 - Recommend a professional, qualified real estate firm. Realtor will contact the employee within 24 hours of this referral.
 - Assist in planning and scheduling a [House Hunting Trip](#) with the Realtor
 - Arrange for the Realtor to prepare a written competitive market analysis on the property selected by the employee. This will aid the employee in making an informed home buying choice and will suggest an appropriate price and terms for negotiating the purchase; and
 - Direct the Realtor to advise the employee of any appropriate inspections and include contingencies for them in the purchase contract
 - NOTE: Employee should check with the local Board of Realtors for any special tax laws and exemptions involving the purchase of a home.
4. To assist home renters, the Destination Counselor will:
- Discuss housing, lifestyle, and scheduling requirements to determine the employee's needs,
 - Send information about the new area to help in the house-hunting process, and
 - Recommend a qualified broker or professional rental management agency knowledgeable about the rental market in the new area.
 - Any "finder's fee" charged by rental brokers is the employee's responsibility. It is not covered by Destination Services or reimbursable by the Government.
5. For Mortgage Counseling, the Destination Counselor will advise the employee on:
- Types of mortgages, rates, fees, basic lender qualification requirements, and availability of financing in the destination area,
 - Various local and national lending institutions, so that the employee may compare interest rates and types of loans available, and
 - Pre-qualifying for a mortgage. The employee can request verbal pre-qualification at any time without cost or obligation. Written pre-qualification commitment requires a credit report, and the employee will be responsible for a credit report fee. Pre-qualification is an asset during contract negotiations on a new home.

II. Employees Who Will Not Move, But Will Remain in Federal Employment

A. Annual and Sick Leave Entitlements

1. Employees affected by BRAC who are in an employment category authorized to earn NAF annual and sick leave may be eligible for certain leave entitlements.
2. Normally, the maximum amount of accrued annual leave that may be carried forward from one leave year to another is 240 hours for employees assigned within the Continental United States (CONUS). However, if an employee's installation has been designated for realignment or closure, s/he may be authorized to carry over leave in excess of the maximum authorized amount as long as s/he continues to work at the BRAC installation in an employment category authorized to earn and accrue leave. (This provision does not apply to employees assigned to positions or functions located at the installation that are designated to continue after closure at the same location.)
3. For employees who are close to their retirement eligibility date, accrued annual leave may be used to remain on the rolls in a pay status beyond their Business Based Action (BBA) separation date in order to reach retirement eligibility. They may also use their accrued annual leave to remain on the rolls in a pay status in order to become eligible to continue DoD NAF Health Benefits Program coverage into retirement.
4. If separated from your NAF position, an employee will receive a lump sum payment for his/her unused annual leave. However, the employee transfers to a NAF position in a different NAF instrumentality, his/her annual leave credit may be transferred from the losing to the gaining employer if both employers agree, and s/he elects a transfer of credit instead of a lump sum payment. The employee cannot elect to be paid a lump sum annual leave payment if s/he moves to a DoD appropriated fund position with a break in service of three days or less; his/her NAF annual leave balance must transfer to the appropriated fund employment system.
5. There is no payment for unused sick leave for an employee who separates from a NAF position, but if s/he returns to employment with one of the DoD NAF Components after a separation related to a Business Based Action (BBA), his/her sick leave balance at the time of BBA separation will be restored. Unlike the extended employment provisions for annual leave described above, the unused sick leave cannot be used to remain on the rolls beyond your BBA separation date in order to reach retirement eligibility or post-retirement medical insurance eligibility. However, the sick leave balance may be added to your period of creditable NAF service for retirement purposes.

Leave Entitlements

References:

[AR 215-3, Chapter 5,](#)

[DoD 1400.25-M, Subchap 1406](#)

B. Re-Employment Priority List (RPL)

1. The NAF Reemployment Priority List (RPL) assists placing eligible NAF employees separated under the Business Based Action (BBA) process into vacant NAF positions within the local commuting area. Separated NAF employees have priority placement rights in the NAF activity from which they are separated and priority consideration rights at other DoD NAF activities in the commuting area.
2. Priority placement rights are afforded to a person on the RPL if a position becomes available in the same NAF activity from which s/he is separated. The position must be in the same or lower employment category; must be the same or lower grade or pay level, and have substantially the same duties as the position from which separated through BBA.
3. Priority consideration is afforded to an RPL registrant over job applicants at other NAF activities (other than the one from which separated) within the commuting area if management is filling a

RPL References:

[AR 215-3, Chapter 10,](#)

[DoD 1400.25-M, Subchap 1417](#)

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position by other than an in-house position change such as detail, reassignment, promotion or demotion. Such priority consideration will be afforded to eligible candidates as long as the vacant position is in the same or lower employment category; the same or lower grade or pay level, and contains substantially the same duties. Priority consideration does not mean that the registrant must be selected. The selecting official is only required to consider the priority candidate before considering other non-priority candidates.

4. The NAF Human Resource office (HRO) will advise employees who are scheduled for separation under BBA procedures of their RPL registration eligibility. The HRO will establish an RPL and send it to all DoD NAF activities in the commuting area. A registrant will remain on the RPL until reemployed, until he or she declines a comparable job, or for up to one year from the date of separation, whichever occurs first.

C. NAF Priority Consideration

Priority Consideration
Reference:
[AR 215-3, Chapter 2](#)

1. DoD NAF employees separated by Business Based Action (BBA) will be afforded priority consideration for Army NAFI positions within the same commuting area.
2. Qualified applicants eligible for priority consideration will be referred to the selecting official on a separate referral list and will be considered prior to other candidates.
3. The hiring organization is not required to hire a candidate being considered with priority consideration.

D. DoD-OPM Interchange Agreement

1. The Department of Defense (DoD) and the Office of Personnel Management (OPM) have an interchange agreement permitting employees to move between DoD positions and civil service positions. Employees appointed under this agreement receive credit for previous service toward career tenure requirements and do not have to serve a new probationary period in the gaining employment system.
2. To apply and be selected for a position under the DoD/OPM Interchange Agreement, an employee must meet all of the following eligibility requirements:
 - Be serving under a career or career-conditional civil service appointment or a continuing NAF appointment without time limits, or have been involuntarily separated from such an appointment without personal cause within the preceding year.
 - Have served continuously for at least one year in the type of appointment described above.
 - If the employee previously met this requirement, separated, and later returned to such an appointment, s/he is considered to have met the one-year requirement.
 - Any NAF appointment without a time limit is considered a continuing position, including a NAF Flexible position.
 - If the employee worked in a continuing NAF position with an intermittent or on-call work schedule, his/her NAF service must be equivalent to one year, in accordance with civil service rules in title 5, Code of Federal Regulations (CFR), 315.201(b)(4).
 - Be qualified for the position to which applying.
 - Be appointed without a break in service of more than one workday, or be appointed within one year after being involuntarily separated from the losing employment system.

Interchange Agreement
References:
[DoD 1400.25-M, Subchap 1403](#),
OPM Webpage:
<http://www.opm.gov/employ/html/sr/oa2.asp#InterchangeAgreementsWithOtherMeritSystems>

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3. NAF employees who meet the above requirements may be considered for appointment to competitive civil service appointments in the same manner that employees of the competitive service may be considered for transfer to such positions. This applies to all Federal competitive service appointments, not just those in DoD. Civil service employees who meet the requirements may be considered for DoD NAF positions on a similar basis.
4. Employees moving between DoD NAF and DoD appropriated fund positions with a break in service of 3 days or less should consult with their Human Resource office regarding portability of benefits provisions.

E. Portability of Benefits

1. The [DoD-OPM Interchange Agreement](#) allows employees to move between the nonappropriated fund (NAF) employment system and the appropriated fund civil service system.
2. The DoD nonappropriated fund (NAF) employment system is governed by laws and regulations that, with a few exceptions, are different from those governing appropriated fund civil service positions. NAF employee benefit programs, such as retirement, health, and life insurance, are different from the benefit programs covering appropriated fund civil service employees. Unless specifically provided by law or regulation, NAF service is not creditable for purposes of civil service benefits, and service in an appropriated fund position is not creditable for purposes of DoD NAF benefits. Fortunately, there are some laws and regulations that enable DoD employees to move between NAF and appropriated fund positions without suffering a large loss in pay or benefits. This is known as “portability.”
3. An employee who moves between a DoD NAF position and a DoD appropriated fund civil service position with a break in service of three days or less is eligible for a range of pay and benefit protections. The Portability of Benefits for Nonappropriated Fund Employees Act of 1990, Public Law 101-508, permits eligible employees to transfer annual, sick, and home leave balances between the two employment systems; receive service credit for annual leave accrual and Reduction-in-Force/NAF Business Based Action purposes; and have their highest previous rate of pay considered when applying for a job in the other employment system. Appropriated fund civil service and DoD NAF regulations also permit service credit for severance pay purposes, and authorization for travel, transportation, and relocation allowances.
4. Public Law 104-106 and Public Law 107-107 expanded employee’s retirement election opportunities to make it easier for employees to continue retirement coverage after moving between NAF and appropriated fund positions. Eligible employees who move, with a break in service of one year or less, between DoD NAF positions and retirement-covered civil service positions in any agency, may elect to continue retirement coverage in the losing employment system’s retirement plan. Additionally, eligible employees may use prior NAF service to qualify for an immediate civil service retirement (this credit is for eligibility purposes only and will not result in higher civil service annuity benefits).
5. Employees who move between the two employment systems should consult both the NAF and appropriated fund civil service Human Resource offices to ensure pay and benefits are handled appropriately in both employment systems.

Portability of Benefits
Reference:
[“Portability of Benefits for Moves Between Civil Service and Nonappropriated Fund Employment Systems” CPMS Reference Guide, July 2004](#)

III. Employees Who Will Leave Federal Employment

A. *Annual and Sick Leave Entitlements*

1. Employees affected by BRAC who are in an employment category authorized to earn NAF annual and sick leave may be eligible for certain leave entitlements.
2. Normally, the maximum amount of accrued annual leave that may be carried forward from one leave year to another is 240 hours for employees assigned within the Continental United States (CONUS). However, if an employee's installation has been designated for realignment or closure, s/he may be authorized to carry over leave in excess of the maximum authorized amount as long as s/he continues to work at the BRAC installation in an employment category authorized to earn and accrue leave. (This provision does not apply to employees assigned to positions or functions located at the installation that are designated to continue after closure at the same location.)
3. For employees who are close to their retirement eligibility date, accrued annual leave may be used to remain on the rolls in a pay status beyond their Business Based Action (BBA) separation date in order to reach retirement eligibility. They may also use their accrued annual leave to remain on the rolls in a pay status in order to become eligible to continue DoD NAF Health Benefits Program coverage into retirement.
4. If separated from your NAF position, an employee will receive a lump sum payment for his/her unused annual leave. However, the employee transfers to a NAF position in a different NAF instrumentality, his/her annual leave credit may be transferred from the losing to the gaining employer if both employers agree, and s/he elects a transfer of credit instead of a lump sum payment. The employee cannot elect to be paid a lump sum annual leave payment if s/he moves to a DoD appropriated fund position with a break in service of three days or less; his/her NAF annual leave balance must transfer to the appropriated fund employment system.
5. There is no payment for unused sick leave for an employee who separates from a NAF position, but if s/he returns to employment with one of the DoD NAF Components after a separation related to a Business Based Action (BBA), his/her sick leave balance at the time of BBA separation will be restored. Unlike the extended employment provisions for annual leave described above, the unused sick leave cannot be used to remain on the rolls beyond your BBA separation date in order to reach retirement eligibility or post-retirement medical insurance eligibility. However, the sick leave balance may be added to your period of creditable NAF service for retirement purposes.

Leave Entitlements
References:

[AR 215-3, Chapter 5](#),
[DoD 1400.25-M, Subchap 1406](#)

B. *Voluntary Separation Incentive Pay (VSIP)*

1. VSIP is a tool used for reducing involuntary separations during downsizing or base closure, and for restructuring the workforce at installations that are not facing personnel reductions. If an employee's voluntary separation would help to achieve either of these objectives, s/he may have an opportunity to apply for VSIP if offered at his/her installation.
2. By accepting VSIP, the employee must agree to separate voluntarily by optional retirement, early retirement under the [Voluntary Early Retirement Authority \(VERA\)](#), or resignation.
3. To be eligible, the employee must be a U.S. citizen serving on a permanent appointment and have at least 12 months of continuous DoD employment. However, even if s/he meets these basic requirements, there are a number of reasons why s/he may be ineligible for VSIP unless a waiver is granted.
4. The VSIP payment is \$25,000 or the amount of severance pay the employee would receive under the standard formula used to compute severance pay, whichever is less. It may be paid

VSIP Reference:
[AR 215-3, Chapter 15](#)

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in a lump sum or in installments, but VSIP is taxable regardless of the payment option the employee chooses. An employee does not have to be eligible for severance pay in order to receive VSIP.

5. Certain restrictions apply to reemployment within the Federal Government for those who have received VSIP. They cannot be rehired by a DoD agency within 12 months of separation, and cannot return to work for any Federal agency within five years, including under a personal services contract, without repaying the full VSIP amount.

C. *Voluntary Early Retirement Authority (VERA)*

1. Each DoD NAF Component administers its own retirement plan. A NAF employer's retirement plan may have provisions for early retirement and discontinued service retirement in workforce reduction and BRAC situations. Employees should check with their Human Resource office for NAF eligibility rules.

D. *Unemployment Compensation*

1. Unemployment compensation provides monetary payments for a given period of time, or until employee finds a new job.
2. Eligibility and time period vary because each State develops and administers its own program.
3. Other benefits received at time of separation, such as VSIP, may affect the employee's entitlement.
4. Contact the [State Employment Security Agencies](#) (contacts for each state can be found at http://www.ows.doleta.gov/dmstree/gal/gal95/gal_02-95.htm) for information on each state. Additional information is available at <http://workforcesecurity.doleta.gov/map>.

Unemployment Comp
References:
5 USC 85,
20 CFR 609

E. *Severance Pay*

1. A regular employee who has completed at least 12 months of continuous [creditable service](#) (which must have occurred within the previous 12 months preceding the effective date of the BBA) is eligible for severance pay if s/he meet the following conditions:
 - Employee is involuntarily separated,
 - Employee basic pay is reduced and employee resigns rather than accept reduction,
 - Employment category is involuntarily changed from RFT to RPT and employee resigns rather than accept change,
 - Employment category is involuntarily changed from Regular to Flex, and/or
 - Employee is furloughed for more than 60 days and employee resigns rather than accept furlough
2. An employee will not be eligible for severance pay if s/he:
 - Was separated for misconduct, unsatisfactory performance, delinquency, disqualification, or separation during a probationary period or from a limited tenure position or any other reason other than as a result of BBA.
 - Has refused an offer of a DoD NAFI position within the same commuting area that would not result in a lower rate of basic pay or loss of employment category
 - Was employed without a break in service of more than three calendar days after separation in another DoD NAF regular position or a DoD APF position without a time limit on the length of appointment

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- Is entitled to an immediate unreduced annuity from either the NAF or APF retirement plan, and/or
 - Is receiving payments from Department of Labor's Office of Workers Compensation for a job related injury
3. Creditable service is defined as:
- Service in a pay status as a regular employee in one or more DoD NAFIs
 - Service in a continuing APF position, if the employee moved from a DoD APF position to a DoD NAF position on or after January 1, 1987, without a break in service of three days, and/or
 - Military service that interrupted creditable service as prescribed in chapter 43 of 38 U.S. Code
4. The following periods of service will be excluded from creditable service:
- Service upon which a NAF or civil service annuity is based, if the annuity began before the date of the BBA,
 - Period of service for which NAF or APF severance pay was previously granted, and/or
 - Service used to determine an employee's APF severance entitlement under the provisions of 5 U.S.C. 5595 (h).
5. Severance pay will be paid in a lump sum payment. The employee will be paid:
- One week of current basic pay for each year of civilian service up through 10 years,
 - Two weeks of current basic pay for each year beyond 10 years, and
 - Twenty-five percent of the otherwise applicable amount for each full three months of creditable service beyond the final full year.
 - The maximum severance amount is 52 weeks of basic pay
 - Overseas activities that have previously been granted exception authority by DA may continue to make severance payment in conformance with that exception.

F. Temporary Continuation of Health Benefits

1. Any employee who is enrolled in the NAF Health Benefits Program (HBP) medical plan at the time of separation, and who has participated in the plan for at least 90 days, is eligible for the 18 months of temporary continuation of coverage provided to all NAF HBP participants who lose coverage for any reason other than termination for gross misconduct.
2. If the employee is being separated because of BRAC, and s/he has been enrolled in the NAF HBP medical plan for at least six months, his/her NAF pays the employer's share of the medical premium and applicable administrative costs, charging only the employee premium. The NAF Human Resources office provides the information regarding eligibility for temporary continuation of medical coverage and applicable payments.

Temp Continuation of Health
Benefits References:
[DoD 1400.25-M, Subchap 1408](#)